

ASSEMBLY, No. 5457

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED MAY 23, 2019

Sponsored by:

Assemblyman JOE DANIELSEN

District 17 (Middlesex and Somerset)

Assemblywoman LISA SWAIN

District 38 (Bergen and Passaic)

Assemblyman MATTHEW W. MILAM

District 1 (Atlantic, Cape May and Cumberland)

Co-Sponsored by:

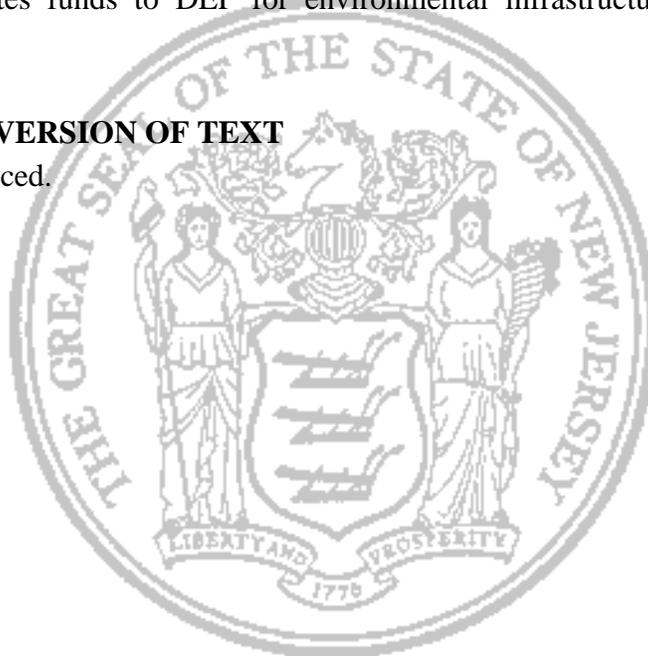
**Assemblymen Bramnick, Dancer, Assemblywoman N.Munoz,
Assemblymen DiMaio, Thomson, DePhillips, Rooney, Assemblywomen
Schepisi, Gove, Assemblymen Peters, Webber, Auth, Peterson, Clifton,
Assemblywomen Handlin, B.DeCroce, Assemblymen Howarth, Wolfe and
Carroll**

SYNOPSIS

Appropriates funds to DEP for environmental infrastructure projects for FY2020.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 5/24/2019)

1 AN ACT appropriating moneys to the Department of Environmental
2 Protection for the purpose of making zero interest loans or
3 principal forgiveness loans to project sponsors to finance a
4 portion of the costs of environmental infrastructure projects.

5
6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:

8
9 1. a. (1) There is appropriated to the Department of
10 Environmental Protection from the "Clean Water State Revolving
11 Fund" established pursuant to section 1 of P.L.2009, c.77, an
12 amount equal to the federal fiscal year 2019 capitalization grant
13 made available to the State for clean water project loans pursuant to
14 the "Water Quality Act of 1987" (33 U.S.C. s.1251 et seq.), and any
15 amendatory and supplementary acts thereto (hereinafter referred to
16 as the "Federal Clean Water Act").

17 (2) There is appropriated to the Department of Environmental
18 Protection from the "Interim Environmental Financing Program
19 Fund" created and established by the New Jersey Infrastructure
20 Bank pursuant to subsection d. of section 9 of P.L.1985, c.334
21 (C.58:11B-9) such amounts as may be necessary to supplement the
22 sums appropriated from the Clean Water State Revolving Fund for
23 the purposes of clean water project loans and providing the State
24 match as required or will be required for the award of the
25 capitalization grants made available to the State for clean water
26 projects pursuant to the Federal Clean Water Act.

27 (3) There is appropriated to the Department of Environmental
28 Protection from the "Disaster Relief Emergency Financing Program
29 Fund" created and established by the New Jersey Infrastructure
30 Bank pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5) such
31 amounts as may be necessary to supplement the sums appropriated
32 from the Clean Water State Revolving Fund for the purposes of
33 clean water project loans and providing the State match as required
34 or will be required for the award of the capitalization grants made
35 available to the State for clean water projects pursuant to the
36 Federal Clean Water Act.

37 (4) There is appropriated to the Department of Environmental
38 Protection from the "Drinking Water State Revolving Fund"
39 established pursuant to section 1 of P.L.1998, c.84 an amount equal
40 to the federal fiscal year 2019 capitalization grant made available to
41 the State for drinking water projects pursuant to the "Safe Drinking
42 Water Act Amendments of 1996," Pub.L.104-182, and any
43 amendatory and supplementary acts thereto (hereinafter referred to
44 as the "Federal Safe Drinking Water Act").

45 The Department of Environmental Protection is authorized to
46 transfer from the Clean Water State Revolving Fund to the Drinking
47 Water State Revolving Fund an amount up to the maximum amount
48 authorized to be transferred pursuant to the Federal Safe Drinking

1 Water Act to meet present and future needs for the financing of
2 eligible drinking water projects, and an amount equal to that
3 maximum amount is hereby appropriated to the department for
4 those purposes.

5 The Department of Environmental Protection is authorized to
6 transfer from the Drinking Water State Revolving Fund to the Clean
7 Water State Revolving Fund an amount up to the maximum amount
8 authorized to be transferred pursuant to the Federal Clean Water
9 Act to meet present and future needs for the financing of eligible
10 clean water projects, and an amount equal to that maximum amount
11 is hereby appropriated to the department for those purposes.

12 Notwithstanding any provision of this act to the contrary, the
13 Department of Environmental Protection is authorized to utilize
14 funds from the Clean Water State Revolving Fund for the purposes
15 of the Drinking Water State Revolving Fund, and may charge
16 interest on loans made with such invested funds to the extent
17 permitted by the Federal Clean Water Act and the Federal Safe
18 Drinking Water Act.

19 (5) There is appropriated to the Department of Environmental
20 Protection the unappropriated balances from the Clean Water State
21 Revolving Fund, including the balances from the Federal Disaster
22 Relief Appropriations Act, and any repayments of loans and interest
23 therefrom, for the purposes of clean water project loans and
24 providing the State match as available on or before June 30, 2020,
25 as required or will be required for the award of the capitalization
26 grants made available to the State for clean water projects pursuant
27 to the Federal Clean Water Act.

28 (6) There is appropriated to the Department of Environmental
29 Protection the unappropriated balances from the "Wastewater
30 Treatment Fund" established pursuant to section 15 of the
31 "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329), and
32 any repayments of loans and interest therefrom, as available on or
33 before June 30, 2020, for the purposes of clean water project loans
34 and providing the State match as required or will be required for the
35 award of the capitalization grants made available to the State for
36 clean water projects pursuant to the Federal Clean Water Act.

37 (7) There is appropriated to the Department of Environmental
38 Protection the unappropriated balances from the "1992 Wastewater
39 Treatment Fund" established pursuant to section 27 of the "Green
40 Acres, Clean Water, Farmland and Historic Preservation Bond Act
41 of 1992" (P.L.1992, c.88), and any repayments of loans and interest
42 therefrom, as available on or before June 30, 2020, for the purposes
43 of clean water project loans and providing the State match as
44 required or will be required for the award of the capitalization
45 grants made available to the State for clean water projects pursuant
46 to the Federal Clean Water Act.

47 (8) There is appropriated to the Department of Environmental
48 Protection the unappropriated balances from the "2003 Water

1 Resources and Wastewater Treatment Fund” established pursuant to
2 subsection a. of section 19 of the “Dam, Lake, Stream, Flood
3 Control, Water Resources, and Wastewater Treatment Project Bond
4 Act of 2003” (P.L.2003, c.162), and any repayments of loans and
5 interest therefrom, as available on or before June 30, 2020, for the
6 purposes of clean water project loans and providing the State match
7 as required or will be required for the award of the capitalization
8 grants made available to the State for clean water projects pursuant
9 to the Federal Clean Water Act.

10 (9) There is appropriated to the Department of Environmental
11 Protection the unappropriated balances from the “Pinelands
12 Infrastructure Trust Fund” established pursuant to section 14 of the
13 “Pinelands Infrastructure Trust Bond Act of 1985” (P.L.1985,
14 c.302), and any repayments of loans and interest therefrom, as
15 available on or before June 30, 2020, for the purposes of clean
16 water project loans and providing the State match as required or
17 will be required for the award of the capitalization grants made
18 available to the State for clean water projects pursuant to the
19 Federal Clean Water Act.

20 (10) There is appropriated to the Department of Environmental
21 Protection the unappropriated balances from the "Stormwater
22 Management and Combined Sewer Overflow Abatement Fund,"
23 established pursuant to the “Stormwater Management and
24 Combined Sewer Overflow Abatement Bond Act of 1989”
25 (P.L.1989, c.181), and any repayments of loans and interest
26 therefrom, as available on or before June 30, 2020, for the purposes
27 of clean water project loans and providing the State match as
28 required or will be required for the award of the capitalization
29 grants made available to the State for clean water projects pursuant
30 to the Federal Clean Water Act.

31 (11) There is appropriated to the Department of Environmental
32 Protection the unappropriated balances from the Drinking Water
33 State Revolving Fund, including the balances from the Disaster
34 Relief Appropriations Act of 2013, for the purposes of drinking
35 water project loans and any repayments of loans and interest
36 therefrom, that are or may become available on or before June 30,
37 2020.

38 (12) There is appropriated to the Department of Environmental
39 Protection such sums as may be needed from loan repayments and
40 interest earnings from the "Water Supply Fund" established
41 pursuant to section 14 of the “Water Supply Bond Act of 1981”
42 (P.L.1981, c.261) for the "Drinking Water State Revolving Fund
43 Match Accounts" contained within that fund for the purpose of
44 providing the State match as required or will be required for the
45 award of the capitalization grants made available to the State for
46 drinking water projects pursuant to the Federal Safe Drinking Water
47 Act.

1 (13) There is appropriated to the Department of Environmental
2 Protection from the "Interim Environmental Financing Program
3 Fund" created and established by the New Jersey Infrastructure
4 Bank pursuant to subsection d. of section 9 of P.L.1985, c.334
5 (C.58:11B-9) such amounts as may be or become available on or
6 before June 30, 2020, and any repayments of loans and interest
7 therefrom, as may be necessary to supplement the sums
8 appropriated from the Drinking Water State Revolving Fund for the
9 purposes of drinking water project loans and providing the State
10 match as required or will be required for the award of the
11 capitalization grants made available to the State for clean water
12 projects pursuant to the Federal Safe Drinking Water Act.

13 (14) There is appropriated to the Department of Environmental
14 Protection from the "Disaster Relief Emergency Financing Program
15 Fund" created and established by the New Jersey Infrastructure
16 Bank pursuant to section 1 of P.L.2013, c.93 (C.58:11B-9.5) such
17 amounts as may be necessary to supplement the sums appropriated
18 from the Drinking Water State Revolving Fund for the purposes of
19 drinking water project loans and providing the State match as
20 required or will be required for the award of the capitalization
21 grants made available to the State for drinking water projects
22 pursuant to the Federal Safe Drinking Water Act.

23 (15) There is appropriated to the Department of Environmental
24 Protection such sums as may be received by the Department of
25 Community Affairs as the grantee from the United States
26 Department of Housing and Urban Development Community
27 Development Block Grant - Disaster Recovery Program (CDBG-
28 DR), as anticipated and upon availability on or before June 30,
29 2020, for the purposes of CDBG-DR eligible clean water and
30 drinking water project loans and providing the State match as
31 required or will be required for the award of the capitalization
32 grants made available to the State for clean water projects pursuant
33 to the Federal Clean Water Act and drinking water projects pursuant
34 to the Federal Safe Drinking Water Act, respectively.

35 (16) There is appropriated to the Department of Environmental
36 Protection such sums as may be or become available on or before
37 June 30, 2020, as repayments of drinking water project loans and
38 any interest therefrom from the "Water Supply Fund" established
39 pursuant to section 14 of the "Water Supply Bond Act of 1981"
40 (P.L.1981, c.261) for the purposes of drinking water project loans
41 and providing the State match as required or will be required for the
42 award of the capitalization grants made available to the State for
43 drinking water projects pursuant to the Federal Safe Drinking Water
44 Act.

45 (17) Of the sums appropriated to the Department of
46 Environmental Protection from the "Water Supply Fund" pursuant
47 to P.L.1999, c.174, P.L.2001, c.222, P.L.2002, c.70 and P.L.2003,
48 c.158, the department is authorized to transfer any unexpended

1 balances and any repayments of loans and interest therefrom as may
2 be or become available on or before June 30, 2020, in such amounts
3 as needed to the Drinking Water State Revolving Fund accounts
4 contained within the Water Supply Fund established for the
5 purposes of providing drinking water project loans and providing
6 the State match as required or will be required for the award of the
7 capitalization grants made available to the State for drinking water
8 projects pursuant to the Federal Safe Drinking Water Act.

9 (18) Of the sums appropriated to the Department of
10 Environmental Protection from the "1992 Wastewater Treatment
11 Fund" pursuant to P.L.1996, c.85, P.L.1997, c.221, P.L.1998, c.84,
12 P.L.1999, c.174, P.L.2000, c.92, P.L.2001, c.222 and P.L.2002,
13 c.70, the department is authorized to transfer any unexpended
14 balances and any repayments of loans and interest therefrom as may
15 be or become available on or before June 30, 2020, in such amounts
16 as needed to the Clean Water State Revolving Fund accounts
17 contained within the 1992 Wastewater Treatment Fund for the
18 purposes of providing clean water project loans and providing the
19 State match as required or will be required for the award of the
20 capitalization grants made available to the State for clean water
21 projects pursuant to the Federal Clean Water Act.

22 (19) Of the sums appropriated to the Department of
23 Environmental Protection from the "2003 Water Resources and
24 Wastewater Treatment Fund" pursuant to P.L.2004, c.109, and
25 P.L.2007, c.139, the department is authorized to transfer any
26 unexpended balances and any repayments of loans and interest
27 therefrom as may be or become available on or before June 30,
28 2020, in such amounts as needed to the Clean Water State
29 Revolving Fund accounts contained within the 2003 Water
30 Resources and Wastewater Treatment Fund for the purposes of
31 providing clean water project loans and providing the State match
32 as required or will be required for the award of the capitalization
33 grants made available to the State for clean water projects pursuant
34 to the Federal Clean Water Act.

35 (20) There is appropriated to the Department of Environmental
36 Protection the sums deposited by the New Jersey Infrastructure
37 Bank into the Clean Water State Revolving Fund, the "Wastewater
38 Treatment Fund," the "1992 Wastewater Treatment Fund," the
39 "Water Supply Fund," the "Stormwater Management and Combined
40 Sewer Overflow Abatement Fund," established pursuant to the
41 "Stormwater Management and Combined Sewer Overflow
42 Abatement Bond Act of 1989" (P.L.1989, c.181), the "2003 Water
43 Resources and Wastewater Treatment Fund" and the Drinking
44 Water State Revolving Fund, as appropriate, pursuant to paragraph
45 (6) of subsection c. of section 1 of P.L. , c. (pending before the
46 Legislature as Senate Bill No. of 2019 and Assembly Bill No. 5456
47 of 2019), as available on or before June 30, 2020, for the purposes
48 of providing clean water project loans and drinking water project

1 loans and providing the State match as required or will be required
2 for the award of the capitalization grants made available to the State
3 for clean water projects pursuant to the Federal Clean Water Act
4 and drinking water projects pursuant to the Federal Safe Drinking
5 Water Act.

6 Any such amounts shall be for the purpose of making zero
7 interest and principal forgiveness financing loans, to the extent
8 sufficient funds are available, to or on behalf of local government
9 units or public water utilities (hereinafter referred to as "project
10 sponsors") to finance a portion of the cost of construction of clean
11 water projects and drinking water projects listed in sections 2 and 3
12 of this act, and for the purpose of implementing and administering
13 the provisions of this act, to the extent permitted by the Federal
14 Disaster Relief Appropriations Act, the Federal Clean Water Act,
15 and any amendatory and supplementary acts thereto, P.L.2009, c.77,
16 the "Wastewater Treatment Bond Act of 1985" (P.L.1985, c.329),
17 the "Water Supply Bond Act of 1981" (P.L.1981, c.261), the
18 "Stormwater Management and Combined Sewer Overflow
19 Abatement Bond Act of 1989" (P.L.1989, c.181), the "Green Acres,
20 Clean Water, Farmland and Historic Preservation Bond Act of
21 1992" (P.L.1992, c.88), the "Dam, Lake, Stream, Flood Control,
22 Water Resources, and Wastewater Treatment Project Bond Act of
23 2003" (P.L.2003, c.162), the Federal Safe Drinking Water Act, and
24 any amendatory and supplementary acts thereto, and State law.

25 b. The department is authorized to make zero interest and
26 principal forgiveness financing loans to or on behalf of the project
27 sponsors for the environmental infrastructure projects listed in
28 subsection a. of section 2 and subsection a. of section 3 of this act
29 for clean water projects, up to the individual amounts indicated and
30 in the priority stated, to the extent there are sufficient eligible
31 project applications, and except that any such amounts may be
32 reduced if a project fails to meet the requirements of section 4 or 5
33 of this act, or by the Commissioner of Environmental Protection
34 pursuant to section 7 of this act, provided:

35 (1) a maximum of \$3 million, plus any appropriated but
36 unallocated funds designated in State fiscal year 2019 for Barnegat
37 Bay Watershed projects, in principal forgiveness loans shall be
38 issued to finance Barnegat Bay Watershed environmental
39 infrastructure projects as provided in subsection a. of section 3 of
40 this act, wherein principal forgiveness shall be a minimum of 25
41 percent of the fund loan amount per project sponsor in an amount
42 not to exceed \$2 million of principal forgiveness per project
43 sponsor;

44 (2) a maximum of \$10 million, plus any appropriated but
45 unallocated funds designated in State fiscal year 2019 for combined
46 sewer overflow projects, in principal forgiveness loans shall be
47 issued as provided in subsection a. of section 3 of this act to
48 communities in combined sewer overflow sewersheds sponsoring

1 construction projects that reduce or eliminate discharges from
2 combined sewer overflow outfalls, wherein principal forgiveness
3 loans shall not exceed \$1 million per borrower subject to the
4 availability of funds, and wherein 50 percent of the principal of the
5 fund loan shall be forgiven, 25 percent of the loan shall be a zero
6 interest rate fund loan, and 25 percent of the loan shall be a trust
7 market rate loan. For project costs greater than \$2 million up to and
8 including \$10 million, 75 percent of the loan shall be a zero interest
9 rate fund loan and 25 percent of the loan shall be a trust market rate
10 loan. For project costs greater than \$10 million, 50 percent of the
11 loan shall be a zero interest rate fund loan and 50 percent of the
12 loan shall be a trust market rate loan;

13 (3) a maximum of \$12 million, plus any appropriated but
14 unallocated funds designated in State fiscal year 2019 for combined
15 sewer overflow projects, in principal forgiveness loans shall be
16 issued as provided in subsection a. of section 3 of this act for
17 combined sewer overflow abatement projects that treat stormwater
18 runoff through infiltration into subsoil or filtration by vegetation or
19 soil, or store stormwater runoff for later reuse, wherein principal
20 forgiveness loans shall not exceed \$3 million per borrower subject
21 to the availability of funds, and wherein 50 percent of the principal
22 of the fund loan shall be forgiven, 25 percent of the loan shall be a
23 zero interest rate fund loan, and 25 percent of the loan shall be a
24 trust market rate loan subject to the availability of funds. For
25 project costs greater than \$6 million up to and including \$10
26 million, 75 percent of the loan shall be a zero interest rate fund loan
27 and 25 percent of the loan shall be a trust market rate loan. For
28 project costs greater than \$10 million, 50 percent of the loan shall
29 be a zero interest rate fund loan and 50 percent of the loan shall be a
30 trust market rate loan;

31 (4) to the extent funds are available, a maximum of \$1.5 million
32 in principal forgiveness loans shall be issued to finance clean water
33 environmental infrastructure projects as provided in subsection a. of
34 section 3 of this act for systems serving populations of up to 10,000
35 residents for the development of asset management plans wherein
36 principal forgiveness shall be 100 percent of the fund loan amount
37 per project in an amount not to exceed \$100,000 per project sponsor
38 subject to the availability of funds; and

39 (5) those projects listed in subsection a. of section 2 of this act
40 and subsection a. of section 3 of this act that were previously
41 identified in P.L.2018, c.85, as amended by P.L.2018, c.137 and
42 P.L.2019, c.12, are granted continued priority status and shall be
43 subject to the provisions of P.L.2018, c.85, as amended by
44 P.L.2018, c.137 and P.L.2019, c.12, provided such projects receive
45 short-term funding prior to June 30, 2019.

46 c. The department is authorized to make zero interest and
47 principal forgiveness financing loans to or on behalf of the project
48 sponsors for the environmental infrastructure projects listed in

1 subsection b. of section 3 of this act for drinking water projects, up
2 to the individual amounts indicated and in the priority stated,
3 provided:

4 (1) a maximum of 30 percent of the 2019 Drinking Water State
5 Revolving Fund capitalization grant not to exceed \$5 million may
6 be issued as provided in subsection b. of section 3 of this act for
7 drinking water systems, as follows:

8 (a) up to \$4 million of Drinking Water State Revolving Fund
9 loans shall be available for drinking water systems serving
10 populations of up to 10,000 residents wherein principal forgiveness
11 shall not exceed \$500,000 in the aggregate and shall not exceed 50
12 percent of the total loan amount per project sponsor in an amount
13 not to exceed \$1 million per project sponsor.

14 Loans for drinking water systems serving 500 or fewer residents
15 shall be given the highest priority, followed by systems serving
16 between 501 to 10,000 residents;

17 (b) a maximum of \$1.5 million in principal forgiveness loans
18 shall be issued to drinking water systems serving populations of up
19 to 10,000 residents for the development of asset management plans
20 wherein principal forgiveness shall be 100 percent of the fund loan
21 amount per project in an amount not to exceed \$100,000 per project
22 sponsor subject to the availability of funds; and

23 (c) a maximum of \$30 million of principal forgiveness for
24 drinking water systems serving communities with a weighted
25 median household income less than the median household income
26 for the county in which they are located for lead line replacement
27 wherein principal forgiveness shall not exceed 90 percent of the
28 total fund loan amount of: \$1 million per water system for systems
29 serving populations of less than 10,000, \$5 million per water system
30 for systems serving populations of between 10,000 and 100,000,
31 and \$10 million per water system for systems serving populations
32 greater than 100,000.

33 Loans may be made pursuant to this subsection to the extent
34 there are sufficient eligible project applications and as required or
35 will be required for the award of the capitalization grants made
36 available to the State for drinking water projects pursuant to the
37 Federal Safe Drinking Water Act. Any such amounts may be
38 reduced by the Commissioner of Environmental Protection pursuant
39 to section 7 of this act, or if a project fails to meet the requirements
40 of section 4 or 5 of this act.

41 (2) Those projects listed in subsection a. of section 3 of this act
42 and subsection b. of section 3 of this act that were previously
43 identified in P.L.2018, c.85, as amended by P.L.2018, c.137 and
44 P.L.2019, c.12, are granted continued priority status and shall be
45 subject to the provisions of P.L.2018, c.85, as amended by
46 P.L.2018, c.137 and P.L.2019, c.12, provided such projects receive
47 short-term funding prior to June 30, 2019.

1 d. The department is authorized to make zero interest and
2 principal forgiveness financing loans to or on behalf of the project
3 sponsors for the environmental infrastructure projects listed in
4 sections 2 and 3 of this act under the same terms, conditions and
5 requirements as set forth in this section from any unexpended
6 balances of the amounts appropriated pursuant to section 1 of
7 P.L.1987, c.200, section 2 of P.L.1988, c.133, section 1 of
8 P.L.1989, c.189, section 1 of P.L.1990, c.99, section 1 of P.L.1991,
9 c.325, section 1 of P.L.1992, c.38, section 1 of P.L.1993, c.193,
10 section 1 of P.L.1994, c.106, section 1 of P.L.1995, c.219, section 1
11 of P.L.1996, c.85, section 1 of P.L.1997, c.221, section 2 of
12 P.L.1998, c.84, section 2 of P.L.1999, c.174, section 2 of P.L.2000,
13 c.92, sections 1 and 2 of P.L.2001, c.222, sections 1 and 2 of
14 P.L.2002, c.70, sections 1 and 2 of P.L.2003, c.158, sections 1 and
15 2 of P.L.2004, c.109, sections 1 and 2 of P.L.2005, c.196, sections 1
16 and 2 of P.L.2006, c.68, sections 1 and 2 of P.L.2007, c.139,
17 sections 1 and 2 of P.L.2008, c.68, sections 1 and 2 of P.L.2009,
18 c.102, sections 1 and 2 of P.L.2010, c.63, sections 1 and 2 of
19 P.L.2011, c.93, sections 1 and 2 of P.L.2012, c.43, sections 1 and 2
20 of P.L.2013, c.95, sections 1 and 2 of P.L.2014, c.25, sections 1 and
21 2 of P.L.2015, c.108, sections 1 and 2 of P.L.2016, c.32, as
22 amended by P.L.2017, c.14, sections 1 and 2 of P.L.2017, c.143, as
23 amended by P.L.2017, c.326, and sections 1 and 2 of P.L.2018,
24 c.85, as amended by P.L.2018, c.137 and P.L.2019, c.12, including
25 amounts resulting from the low bid and final building cost
26 reductions authorized pursuant to section 6 of P.L.1987, c.200,
27 section 7 of P.L.1988, c.133, section 6 of P.L.1989, c.189, section 6
28 of P.L.1990, c.99, section 6 of P.L.1991, c.325, section 6 of
29 P.L.1992, c.38, section 6 of P.L.1993, c.193, section 6 of P.L.1994,
30 c.106, section 6 of P.L.1995, c.219, section 6 of P.L.1996, c.85,
31 section 6 of P.L.1997, c.221, section 7 of P.L.1998, c.84, section 6
32 of P.L.1999, c.174, section 6 of P.L.2000, c.92, section 6 of
33 P.L.2001, c.222, section 6 of P.L.2002, c.70, section 6 of P.L.2003,
34 c.158, section 6 of P.L.2004, c.109, section 6 of P.L.2005, c.196,
35 section 6 of P.L.2006, c.68, section 6 of P.L.2007, c.139, section 6
36 of P.L.2008, c.68, section 7 of P.L.2009, c.102, section 6 of
37 P.L.2010, c.63, section 6 of P.L.2011, c.93, section 6 of P.L.2012,
38 c.43, section 6 of P.L.2013, c.95, section 7 of P.L.2014, c.25,
39 section 7 of P.L.2015, c.108, section 7 of P.L.2016, c.32, as
40 amended by P.L.2017, c.14, section 7 of P.L.2017, c.143 as
41 amended by P.L.2017, c.326, section 7 of P.L.2018, c.85, as
42 amended by P.L.2018, c.137 and P.L.2019, c.12, and from any
43 repayments of loans and interest from the Clean Water State
44 Revolving Fund, the "Wastewater Treatment Fund," the "Water
45 Supply Fund," the "1992 Wastewater Treatment Fund," the "2003
46 Water Resources and Wastewater Treatment Fund," and amounts
47 deposited therein during State fiscal year 2018 and State fiscal year
48 2019 pursuant to the provisions of section 16 of P.L.1985, c.329,

1 and section 2 of P.L.2009, c.77 and any amendatory and
 2 supplementary acts thereto, including any Clean Water State
 3 Revolving Fund Accounts contained within the "Wastewater
 4 Treatment Fund," and from any repayment of loans and interest
 5 from the Drinking Water State Revolving Fund.

6 e. The department is authorized to make zero interest and
 7 principal forgiveness Sandy financing loans to or on behalf of the
 8 project sponsors for the Sandy environmental infrastructure projects
 9 listed in subsection a. of section 3 of this act for clean water
 10 projects, in a manner consistent with the Federal Disaster Relief
 11 Appropriations Act, up to the individual amounts indicated, except
 12 that any such amount may be reduced by the Commissioner of
 13 Environmental Protection pursuant to section 7 of this act, or if a
 14 project fails to meet the requirements of section 4, 5, or 7 of this
 15 act, provided a maximum of \$300 million shall be provided for
 16 Sandy financing loans for clean water projects to provide financial
 17 assistance to communities affected by the Storm Sandy, and for
 18 projects whose purpose is to reduce flood damage risk and
 19 vulnerability or to enhance resiliency to rapid hydrologic change or
 20 a natural disaster.

21 f. For the purposes of this act:

22 "Base financing" means zero interest loans provided by the
 23 Department of Environmental Protection from moneys made
 24 available for the purposes of this act from any source other than
 25 funds received pursuant to the Federal Disaster Relief
 26 Appropriations Act, related State matching funds, and interest
 27 earned thereon.

28 "Federal Disaster Relief Appropriations Act" means the
 29 "Disaster Relief Appropriations of 2013" (Pub.L.113-2), and any
 30 amendatory and supplementary acts thereto.

31 "Sandy financing" or "Sandy funding" means grants, zero
 32 interest loans or principal forgiveness loans provided by the
 33 Department of Environmental Protection from funds made available
 34 to the State for clean water projects or clean water project match,
 35 pursuant to the Federal Disaster Relief Appropriations Act.

36

37 2. a. (1) The department is authorized to expend funds for
 38 the purpose of making supplemental zero interest loans to or on
 39 behalf of the project sponsors listed below for the following clean
 40 water environmental infrastructure projects:

41

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Allowable Loan Amount
North Hudson SA	S340952-19-1	\$525,000	\$700,000
Total projects: 1		\$ 525,000	\$ 700,000

1 (2) The loans authorized in this subsection shall be made for the
 2 difference between the allowable loan amounts required by these
 3 projects based upon final building costs pursuant to section 7 of this
 4 act and the loan amounts certified by the Commissioner of
 5 Environmental Protection in State fiscal year 2017 and for increased
 6 allowable costs as defined and determined in accordance with the
 7 rules and regulations adopted by the department pursuant to section
 8 4 of P.L.1985, c.329. The loans authorized in this subsection shall
 9 be made to or on behalf of the project sponsors listed, up to the
 10 individual amounts indicated and in the priority stated, to the extent
 11 sufficient funds are available, except as a project fails to meet the
 12 requirements of section 4, 5, or 7 of this act.

13 (3) The zero interest loans for the projects authorized in this
 14 subsection shall have priority over projects listed in subsection a. of
 15 section 3 of this act.

16 b. The Department of Environmental Protection is authorized
 17 to adjust the allowable Department of Environmental Protection
 18 loan amount for projects authorized in this section to between 25
 19 percent and 75 percent of the total allowable loan amount, and loan
 20 amounts to less than 25 percent to the extent the priority ranking or
 21 an insufficiency of funding prevents the department from making
 22 the loan.

23

24 3. a. The following environmental infrastructure projects shall
 25 be known and may be cited as the "Storm Sandy and State Fiscal
 26 Year 2020 Clean Water Project Eligibility List":
 27

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Loan Amount
Camden County MUA	S340640-17	\$2,625,000	\$3,500,000
Rahway Valley SA	S340547-14	\$7,125,000	\$9,500,000
Rahway Valley SA	S340547-15	\$1,941,389	\$2,588,518
Elizabeth City	S340942-19	\$5,775,000	\$7,700,000
North Bergen MUA	S340652-14	\$17,250,000	\$23,000,000
Jersey City MUA	S340928-20	\$5,400,000	\$7,200,000
Bayshore RSA	S340697-06	\$11,325,000	\$15,100,000
Ocean County UA	S340372-59	\$5,715,000	\$7,620,000
Hoboken City	S340635-07	\$3,750,000	\$5,000,000
Perth Amboy City	S340435-13	\$637,500	\$850,000

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Jersey City	S340928-30	\$2,033,250	\$2,711,000
North Hudson SA	S340952-22	\$13,500,000	\$18,000,000
North Hudson SA	S340952-23	\$2,325,000	\$3,100,000
Riverside SA	S340490-01	\$630,000	\$840,000
Perth Amboy City	S340435-11	\$4,844,513	\$6,459,351
Passaic Valley SC	S340689-39	\$3,612,000	\$4,816,000
Passaic Valley SC	S340689-30	\$2,775,000	\$3,700,000
Passaic Valley SC	S340689-31	\$3,000,000	\$4,000,000
Passaic Valley SC	S340689-32	\$7,500,000	\$10,000,000
Northwest Bergen County UA	S340700-16	\$3,675,000	\$4,900,000
Jersey City MUA	S340928-28	\$2,025,000	\$2,700,000
Jersey City MUA	S340928-31	\$8,294,700	\$11,059,600
Gloucester City	S340958-08	\$1,575,000	\$2,100,000
Roxbury Township	S340381-07	\$5,625,000	\$7,500,000
Raritan Township MUA	S340485-12	\$3,675,000	\$4,900,000
Stafford Township	S344100-03	\$4,200,000	\$5,600,000
Stony Brook RSA	S340400-10	\$4,275,000	\$5,700,000
Ocean County	S344080-09	\$975,000	\$1,300,000
Little Egg Harbor Township	S344060-02	\$3,187,500	\$4,250,000
Ocean County	S344080-10	\$187,500	\$250,000
Ocean County	S344080-11	\$262,500	\$350,000
Rockaway Valley RSA	S340821-07	\$6,150,000	\$8,200,000
Point Pleasant Beach Borough	S344190-02	\$2,250,000	\$3,000,000
Lakewood Township MUA	S340465-03	\$1,080,000	\$1,440,000
Kearny MUA	S340259-07	\$4,875,000	\$6,500,000
Tuckerton Borough	S340034-03	\$1,053,905	\$1,405,206
Montclair Township	S340837-04	\$1,275,000	\$1,700,000
Middlesex County UA	S340699-13	\$30,000,000	\$40,000,000
Atlantic County UA	S340809-24	\$375,000	\$500,000

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Rockaway Valley RSA	S340821-06	\$6,000,000	\$8,000,000
Toms River MUA	S340145-06	\$565,650	\$754,200
Brick Township MUA	S340448-11	\$3,958,723	\$5,278,297
Northwest Bergen County UA	S340700-15	\$5,250,000	\$7,000,000
Northwest Bergen County UA	S340700-18	\$1,500,000	\$2,000,000
Western Monmouth UA	S340128-05	\$5,850,000	\$7,800,000
Old Bridge MUA	S340945-14	\$2,467,500	\$3,290,000
Franklin Township SA	S340839-07	\$1,875,000	\$2,500,000
Montclair Township	S340837-03	\$1,275,000	\$1,700,000
Ocean Township SA	S340750-13	\$412,500	\$550,000
Ocean Township SA	S340750-14	\$1,875,000	\$2,500,000
Ocean Township SA	S340750-12	\$3,075,000	\$4,100,000
Ocean County UA	S340372-58	\$3,323,250	\$4,431,000
Burlington Township	S340712-16	\$720,000	\$960,000
West Deptford Township	S340947-05	\$1,061,250	\$1,415,000
Middlesex Borough	S340698-02	\$1,926,563	\$2,568,750
Glen Ridge Borough	S340861-03	\$334,386	\$445,848
Glen Ridge Borough	S340861-04	\$1,392,109	\$1,856,145
Bradley Beach Borough	S340472-01	\$2,025,000	\$2,700,000
Long Beach Township	S340023-07	\$3,450,000	\$4,600,000
Ship Bottom Borough	S340311-03	\$3,525,000	\$4,700,000
Atlantic County UA	S340809-28	\$3,075,000	\$4,100,000
Somerset Raritan Valley SA	S340801-08	\$12,375,000	\$16,500,000
Aberdeen Township	S340869-02	\$6,750,000	\$9,000,000
Gloucester Township	S340364-15	\$1,087,500	\$1,450,000
Paulsboro Borough	S340164-01	\$2,062,500	\$2,750,000
Bradley Beach Borough	S340472-02	\$1,942,538	\$2,590,050
Perth Amboy City	S340435-18	\$1,327,500	\$1,770,000

Manchester Township	S340650-08	\$2,250,000	\$3,000,000
Point Pleasant Beach Borough	S340479-04	\$1,447,500	\$1,930,000
Allentown Borough	S340567-06	\$498,704	\$664,938
Gloucester County IA	S342016-03	\$10,419,930	\$13,893,240
Somerville Borough	S342013-01	\$8,625,000	\$11,500,000
Total Projects: 72		\$290,502,860	\$387,337,143

- 1 b. The following environmental infrastructure projects shall be
2 known and may be cited as the “State Fiscal Year 2020 Drinking
3 Water Project Eligibility List”:
4

Project Sponsor	Project Number	Estimated Allowable DEP Loan Amount	Estimated Total Loan Amount
Newark City	0714001-019	\$9,131,250	\$12,175,000
NJ American Water Co., Inc.	1345001-017	\$7,575,000	\$10,100,000
Newark City	0714001-016	\$10,500,000	\$14,000,000
North Jersey District Water Supply Comm.	1613001-022	\$12,750,000	\$17,000,000
North Jersey District Water Supply Comm.	1613001-025	\$18,000,000	\$24,000,000
Newark City	0714001-018	\$3,862,500	\$5,150,000
Lakehurst Borough	1513001-002	\$813,475	\$1,084,633
Netcong Borough	1428001-007	\$2,775,000	\$3,700,000
Manchester Township	1518005-002	\$4,125,000	\$5,500,000
Lower Township MUA	0505002-003	\$5,192,555	\$6,923,406
Paulsboro Borough	0814001-003	\$2,100,000	\$2,800,000
North Jersey District Water Supply Comm.	1613001-033	\$3,075,000	\$4,100,000
Netcong Borough	1428001-008	\$825,000	\$1,100,000
Middlesex Water Co.	1225001-028	\$8,400,000	\$11,200,000
Wall Township	1352003-001	\$1,350,000	\$1,800,000
Wall Township	1352003-002	\$2,775,000	\$3,700,000
Clinton Town	1005001-010	\$1,086,140	\$1,448,187

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Clinton Town	1005001-011	\$949,355	\$1,265,807
Netcong Borough	1428001-009	\$300,000	\$400,000
Jackson Township MUA	1511001-013	\$15,000,000	\$20,000,000
Berkeley Township MUA	1505004-009	\$1,650,000	\$2,200,000
Jersey City MUA	0906001-015	\$2,691,950	\$3,589,266
Hoboken City	0905001-001	\$6,375,000	\$8,500,000
Jackson Township MUA	1511001-010	\$6,150,000	\$8,200,000
Bellmawr Borough	0404001-006	\$1,725,000	\$2,300,000
Gloucester City	0414001-022	\$900,000	\$1,200,000
Ship Bottom Borough	1528001-002	\$2,812,500	\$3,750,000
Tuckerton Borough	1532002-006	\$1,102,613	\$1,470,150
Long Beach Township	1517001-501	\$1,725,000	\$2,300,000
Long Beach Township	1517001-502	\$8,625,000	\$11,500,000
Moorestown Township	0322001-002	\$10,500,000	\$14,000,000
Brick Township MUA	1506001-009	\$4,446,570	\$5,928,760
Brick Township MUA	1506001-010	\$870,000	\$1,160,000
Stafford Township	1530004-019	\$1,425,000	\$1,900,000
National Park Borough	0812001-004	\$1,275,000	\$1,700,000
Long Beach Township	1517001-015	\$3,119,401	\$4,159,201
Old Bridge MUA	1209002-013	\$3,000,000	\$4,000,000
Aberdeen Township	1330004-001	\$2,925,000	\$3,900,000
Milltown Borough	1212001-005	\$1,350,000	\$1,800,000
Hightstown Borough	1104001-010	\$1,331,759	\$1,775,678
NJ American Water Co., Inc.	2004002-013	\$12,000,000	\$16,000,000
Jackson Township MUA	1511001-012	\$8,250,000	\$11,000,000
Brick Township MUA	1506001-012	\$4,065,000	\$5,420,000
Hampton Borough	1013001-001	\$1,350,000	\$1,800,000
Total Projects: 44		\$200,250,066	\$267,000,088

1 c. The Department of Environmental Protection is authorized
2 to adjust the allowable Department of Environmental Protection
3 loan amount for projects authorized in this section to between 25
4 percent and 75 percent of the total allowable loan amount and loan
5 amounts to less than 25 percent to the extent the priority ranking or
6 an insufficiency of funding prevents the department from making
7 the loan.

8
9 4. Any financing loan made by the Department of
10 Environmental Protection pursuant to this act shall be subject to the
11 following requirements:

12 a. The Commissioner Environmental Protection has certified
13 that the project is in compliance with the provisions of P.L.1977,
14 c.224, P.L.1985, c.329, P.L.1992, c.88, P.L.1997, c.223, P.L.1997,
15 c.225 or P.L.2003, c.162, and any rules and regulations adopted
16 pursuant thereto;

17 b. A loan for an environmental infrastructure project listed in
18 section 2 or 3 of this act shall be subject to the terms and conditions
19 of the financing program year in which the trust issued an interim
20 financing program fund loan for such project or the terms and
21 conditions of the State fiscal year 2020 financing program in the
22 absence of an interim financing program fund loan.

23 c. The estimated Department of Environmental Protection
24 allowable loan amount shall not exceed 75 percent of the total
25 allowable loan amount of the environmental infrastructure facility
26 for projects listed in subsections a. and b. of section 2 of this act,
27 and in subsections a. and b. of section 3 of this act, provided that:

28 (1) for clean water project and drinking water project loans to
29 (a) municipalities that do not satisfy the New Jersey Infrastructure
30 Bank credit policy but are subject to State financial supervision and
31 oversight pursuant to the "Local Government Supervision Act
32 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), or (b) municipal,
33 county, or regional sewerage authorities, or utilities authorities, that
34 do not satisfy the New Jersey Infrastructure Bank credit policy but
35 where the municipal participant through its service agreement with
36 the authority or utility is under State financial supervision and
37 oversight pursuant to the "Local Government Supervision Act
38 (1947)," P.L.1947, c.151 (C.52:27BB-1 et seq.), and the repayment
39 obligation of the authority or utility is secured by the full faith and
40 credit of the participating municipality pursuant to the service
41 agreement, the Department of Environmental Protection allowable
42 loan amount shall be up to 100 percent of the total allowable loan
43 amount not to exceed a total of \$10 million for all such loans;

44 (2) for clean water and drinking water loans to municipalities
45 receiving funding under the United States Department of Housing
46 and Urban Development Community Development Block Grant –
47 Disaster Recovery Program (CDBG-DR) the Department of

- 1 Environmental Protection allowable loan amount shall be up to 100
2 percent of the total allowable loan amount; and
- 3 (3) for loans to communities for lead service line replacement,
4 the Department of Environmental Protection allowable loan amount
5 shall be up to 100 percent of the total allowable loan amount.
- 6 d. With the exception of paragraphs (1) and (2) of subsection c.
7 of this section, the loan shall be conditioned upon approval of a
8 loan from the New Jersey Infrastructure Bank pursuant to
9 P.L. , c. , (pending before the Legislature as Senate Bill No. of
10 2019 and Assembly Bill No. 5456 of 2019), prior to June 30, 2020;
- 11 e. The loan shall be repaid within a period not to exceed 30
12 years, or 45 years for combined sewer overflow abatement projects,
13 of the making of the loan; and
- 14 f. The loan shall be subject to any other terms and conditions
15 as may be established by the commissioner and approved by the
16 State Treasurer, which may include, notwithstanding any other
17 provision of law to the contrary, subordination of a loan authorized
18 in this act to loans made by the New Jersey Infrastructure Bank
19 pursuant to P.L. , c. (pending before the Legislature as Senate Bill
20 No. of 2019 and Assembly Bill No. 5456 of 2019), or to
21 administrative fees payable to the trust pursuant to subsection o. of
22 section 5 of P.L.1985, c.334 (C.58:11B-5).
23
- 24 5. Any Sandy financing loan made by the Department of
25 Environmental Protection pursuant to this act shall be subject to the
26 following requirements:
- 27 a. The commissioner has certified that the project is in
28 compliance with the provisions of Title X, Chapter 7 of the Federal
29 "Disaster Relief Appropriations Act of 2013" (Pub.L.113-2), and
30 any amendatory and supplementary acts thereto;
- 31 b. The commissioner has certified that the project is in
32 compliance with the provisions of P.L.1977, c.224, P.L.1985, c.329,
33 P.L.1992, c.88, P.L.1997, c.223, P.L.1997, c.225 or P.L.2003,
34 c.162, and any rules and regulations adopted pursuant thereto; and
- 35 c. The loan shall be subject to any other terms and conditions
36 as may be established by the commissioner and approved by the
37 State Treasurer, which may include, notwithstanding any other
38 provision of law to the contrary, subordination of a loan authorized
39 in this act to loans made by the trust pursuant to
40 P.L. , c. (pending before the Legislature as Senate Bill No. of
41 2019 and Assembly Bill No. 5456 of 2019) prior to June 30, 2020, or
42 to administrative fees payable to the trust pursuant to subsection o.
43 of section 5 of P.L.1985, c.334 (C.58:11B-5).
44
- 45 6. The eligibility lists and authorization for the making of loans
46 pursuant to sections 2 and 3 of this act shall expire on July 1, 2020,
47 and any project sponsor which has not executed and delivered a

1 loan agreement with the department for a loan authorized in this act
2 shall no longer be entitled to that loan.

3
4 7. The Commissioner of Environmental Protection is
5 authorized to reduce or increase the individual amount of loan funds
6 made available to or on behalf of project sponsors pursuant to
7 sections 2 and 3 of this act based upon final or low bid building
8 costs defined in and determined in accordance with rules and
9 regulations adopted by the commissioner pursuant to section 4 of
10 P.L.1985, c.329, section 2 of P.L.1999, c.362 (C.58:12A-12.2), or
11 section 5 of P.L.1981, c.261, provided that the total loan amount
12 does not exceed the estimated total allowable loan amount. The
13 commissioner is authorized to reduce or increase the individual
14 amount of loan funds made available to or on behalf of project
15 sponsors pursuant to sections 2 and 3 of this act in an amount not to
16 exceed 10 percent of the total allowable loan amount based upon
17 additional project costs to comply with the Department of
18 Environmental Protection's guidance for asset management,
19 emergency response, flood protection, and auxiliary power.

20
21 8. The expenditure of the funds appropriated by this act is
22 subject to the provisions and conditions of P.L.1977, c.224,
23 P.L.1085, c.302, P.L.1985, c.329, P.L.1989, c.181, P.L.1992, c.88,
24 P.L.1997, c.223, P.L.1997, c.225 or P.L.2003, c.162, and the rules
25 and regulations adopted by the Commissioner of Environmental
26 Protection pursuant thereto, and the provisions of the Federal
27 Disaster Relief Appropriations Act, the Federal Clean Water Act or
28 the Federal Safe Drinking Water Act, and any amendatory and
29 supplementary acts thereto, as appropriate.

30
31 9. The Department of Environmental Protection shall provide
32 general technical assistance to any project sponsor requesting
33 assistance regarding environmental infrastructure project
34 development or applications for funds for a project.

35
36 10. a. Prior to repayment to the Clean Water State Revolving
37 Fund pursuant to sections 1 and 2 of P.L.2009, c.77 and any
38 amendatory and supplementary acts thereto, prior to repayment to
39 the "Wastewater Treatment Fund" pursuant to the provisions of
40 section 16 of P.L.1985, c.329, prior to repayment to the "1992
41 Wastewater Treatment Fund" pursuant to the provisions of section
42 28 of P.L.1992, c.88, prior to repayment to the Drinking Water
43 State Revolving Fund, prior to repayment to the "Stormwater
44 Management and Combined Sewer Overflow Abatement Fund"
45 pursuant to the provisions of section 15 of P.L.1989, c.181, prior to
46 repayment to the "2003 Water Resources and Wastewater
47 Treatment Fund" pursuant to the provisions of section 20 of
48 P.L.2003, c.162, or prior to repayment to the "Water Supply Fund"

1 pursuant to the provisions of section 15 of P.L.1981, c.261,
2 repayments of loans made pursuant to these acts may be utilized by
3 the New Jersey Infrastructure Bank established pursuant to
4 P.L.1985, c.334 (C.58:11B-1 et seq.), as amended and
5 supplemented by P.L.1997, c.224, under terms and conditions
6 established by the commissioner and trust, and approved by the
7 State Treasurer, and consistent with the provisions of P.L.1985,
8 c.334 (C.58:11B-1 et seq.) and federal tax, environmental or
9 securities law, to the extent necessary to secure repayment of trust
10 bonds issued to finance loans approved pursuant to
11 P.L. , c. (pending before the Legislature as Senate Bill No. of
12 2019 and Assembly Bill No. 5456 of 2019), and to secure the
13 administrative fees payable to the trust pursuant to subsection o. of
14 section 5 of P.L.1985, c.334 (C.58:11B-5) by the project sponsors
15 receiving trust loans.

16 b. Prior to repayment to the Clean Water State Revolving Fund
17 pursuant to section 1 and 2 of P.L. 2009, c.77 and any amendatory
18 and supplementary acts thereto, prior to repayment to the
19 "Wastewater Treatment Fund" pursuant to the provisions of section
20 16 of P.L.1985, c.329, prior to repayment to the "1992 Wastewater
21 Treatment Fund" pursuant to the provisions of section 28 of
22 P.L.1992, c.88, prior to repayment to the "Water Supply Fund"
23 pursuant to the provisions of section 15 of P.L.1981, c.261, prior to
24 repayment to the Drinking Water State Revolving Fund, prior to
25 repayment to the "2003 Water Resources and Wastewater
26 Treatment Fund" pursuant to the provisions of section 20 of
27 P.L.2003, c.162, or prior to repayment to the "Stormwater
28 Management and Combined Sewer Overflow Abatement Fund"
29 pursuant to the provisions of section 15 of P.L.1989, c.181, the trust
30 is further authorized to utilize repayments of loans made pursuant to
31 P.L.1989, c.189, P.L.1990, c.99, P.L.1991, c.325, P.L.1992, c.38,
32 P.L.1993, c.193, P.L.1994, c.106, P.L.1995, c.219, P.L.1996, c.85,
33 P.L.1997, c.221, P.L.1998, c.84, P.L.1999, c.174, P.L.2000, c.92,
34 P.L.2001, c.222, P.L.2002, c.70, P.L.2003, c.158, P.L.2004, c.109,
35 P.L.2005, c.196, P.L.2006, c.68, P.L.2007, c.139, P.L.2008, c.68,
36 P.L.2009, c.102, P.L.2010, c.63, P.L.2011, c.93, P.L.2012, c.43,
37 P.L.2013, c.95, P.L.2014, c.25, P.L.2015, c.108, P.L.2016, c.32,
38 P.L.2017, c.143, as amended by P.L.2017, c.326, P.L.2018, c.85, as
39 amended by P.L.2018, c.137 and P.L.2019, c.12, or
40 P.L. , c. (pending before the Legislature as this bill), to secure
41 repayment of trust bonds issued to finance loans approved pursuant
42 to P.L.1995, c.218, P.L.1996, c.87, P.L.1997, c.222, P.L.1998, c.85,
43 P.L.1999, c.173, P.L.2000, c.93, P.L.2001, c.224, P.L.2002, c.71,
44 P.L.2003, c.159, P.L.2004, c.110, P.L.2005, c.197, P.L.2006, c.67,
45 P.L.2007, c.140, P.L.2008, c.67, P.L.2009, c.101, P.L.2010, c.62,
46 P.L.2011, c.95, P.L.2012, c.38, P.L.2013, c.94, P.L.2014, c.26,
47 P.L.2015, c.107, P.L.2016, c.31, P.L.2017, c.142, as amended by
48 P.L.2017, c.327, P.L.2018, c.84 as amended by P.L.2019, c.30, or

1 P.L. , c. (pending before the Legislature as Senate Bill No. of
2 2019 and Assembly Bill No. 5456 of 2019), and to secure the
3 administrative fees payable to the trust under these loans pursuant
4 to subsection o. of section 5 of P.L.1985, c.334 (C.58:11B-5).

5 c. To the extent that any loan repayment sums are used to
6 satisfy any trust bond repayment or administrative fee payment
7 deficiencies, the trust shall repay such sums to the department for
8 deposit into the Clean Water State Revolving Fund, the
9 "Wastewater Treatment Fund," the "1992 Wastewater Treatment
10 Fund," the "Water Supply Fund," the Drinking Water State
11 Revolving Fund, the "2003 Water Resources and Wastewater
12 Treatment Fund," or the "Stormwater Management and Combined
13 Sewer Overflow Abatement Fund," as appropriate, from amounts
14 received by or on behalf of the trust from project sponsors causing
15 any such deficiency.

16

17 11. The Commissioner of Environmental Protection is
18 authorized to enter into capitalization grant agreements as may be
19 required pursuant to the Federal Disaster Relief Appropriations Act,
20 the Federal Clean Water Act, or the Federal Safe Drinking Water
21 Act.

22

23 12. There is appropriated to the New Jersey Infrastructure Bank
24 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.) from
25 repayments of loans and interest deposited in any account, on or
26 before June 30, 2019, including the "Clean Water State Revolving
27 Fund," the "1992 Wastewater Treatment Fund," the "Water Supply
28 Fund," the "Stormwater Management and Combined Sewer
29 Overflow Abatement Fund," the "2003 Water Resources and
30 Wastewater Treatment Fund," or the Drinking Water State
31 Revolving Fund, as appropriate, and from any net earnings received
32 from the investment and reinvestment of such deposits, such sums
33 as the chairman of the trust shall certify to the Commissioner of
34 Environmental Protection to be necessary and appropriate for
35 deposit into one or more reserve funds or accounts established by
36 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

37

38 13. There is appropriated to the New Jersey Infrastructure Bank
39 established pursuant to P.L.1985, c.334 (C.58:11B-1 et seq.), funds
40 from the Federal Disaster Relief Appropriations Act, Pub.L.113-2,
41 deposited in any account including the Clean Water State Revolving
42 Fund, the "Water Supply Fund," or the Drinking Water State
43 Revolving Fund, as appropriate, and from any net earnings received
44 from the investment and reinvestment of such deposits, such sums
45 as the chairman of the trust certifies to the Commissioner of
46 Environmental Protection to be necessary and appropriate for
47 deposit into one or more reserve funds or accounts established by
48 the trust pursuant to section 11 of P.L.1985, c.334 (C.58:11B-11).

1 14. This act shall take effect immediately.

2

3

4

STATEMENT

5

6 This bill appropriates certain federal and State moneys to the
7 Department of Environmental Protection (DEP) for the purpose of
8 implementing the State Fiscal Year 2020 New Jersey
9 Environmental Infrastructure Financing Program (NJEIFP), which
10 is expected to finance approximately \$655.04 million in Storm
11 Sandy and other environmental infrastructure projects for State
12 Fiscal Year 2020.

13 Under the bill, approximately \$12 million will be available for
14 principal forgiveness loans of up to \$3 million for combined sewer
15 overflow (CSO) projects with a focus on green technology (e.g.,
16 green roofs, rain gardens, porous pavement, and other activities that
17 maintain and restore natural hydrology). For these CSO projects,
18 50 percent of the fund loan will be forgiven, 25 percent of the loan
19 will be a zero-interest rate fund loan, and 25 percent of the loan will
20 be a New Jersey Infrastructure Bank (“trust”) market rate loan. For
21 project costs greater than \$6 million up to \$10 million, 75 percent
22 of the loan will be a zero-interest rate fund loan and 25 percent of
23 the loan will be a trust market rate loan. In addition, a maximum of
24 \$10 million in principal forgiveness loans up to \$1 million per
25 borrower will be allocated to communities sponsoring construction
26 projects that reduce or eliminate discharges from CSO outfalls that
27 do not utilize green technology. Similar to the terms for CSO
28 projects utilizing green technology, 50 percent of the fund loan will
29 be forgiven, 25 percent of the loan will be a zero-interest rate fund
30 loan, and 25 percent of the loan will be a trust market rate loan. For
31 project costs greater than \$2 million up to \$10 million, 75 percent
32 of the loan will be a zero-interest rate fund loan and 25 percent of
33 the loan will be a trust market rate loan. For all CSO project
34 amounts in excess of \$10 million, 50 percent of the loan will be a
35 zero interest rate loan and 50 percent of the loan will be a trust
36 market rate loan. Principal forgiveness will be available to the
37 highest ranked CSO projects and will be awarded according to the
38 DEP’s ranking methodology based on each project’s relative water
39 quality benefit and project readiness.

40 Approximately \$6 million will be available for principal
41 forgiveness loans for stormwater runoff mitigation environmental
42 infrastructure projects in the Barnegat Bay Watershed to continue
43 addressing the critical water quality issues confronting this
44 waterbody, of which 25 percent will be subject to principal
45 forgiveness in an amount not to exceed \$2 million of principal
46 forgiveness per project sponsor.

47 To the extent funds are available, a maximum of \$1.5 million in
48 principal forgiveness loans will be available to finance the

1 development of asset management plans for systems serving
2 populations up to 10,000 residents of which 100 percent will be
3 subject to principal forgiveness in an amount not to exceed
4 \$100,000 per project sponsor.

5 A maximum of \$4 million in principal forgiveness loans will be
6 available to drinking water systems for improvements to water
7 supply systems serving populations of up to 10,000 people, in an
8 amount not to exceed \$500,000, and may not exceed 50 percent of
9 the total loan amount per project sponsor in an amount not to
10 exceed \$1 million per project sponsor. To the extent funds are
11 available, a maximum of \$30 million of principal forgiveness loans
12 will be available for drinking water systems serving communities
13 with a weighted median household income less than the median
14 household income for the county in which they are located for lead
15 service line replacement. The amount of a principal forgiveness
16 loan would not exceed 90 percent of the total fund loan amount of
17 \$1 million per project sponsor for systems serving populations less
18 than 10,000, \$5 million per project sponsor for water systems
19 serving populations between 10,000 and 100,000, and \$10 million
20 per project sponsor for water systems serving populations greater
21 than 100,000.

22 Disaster Relief Emergency Financing Program loans will
23 continue to be available for short-term financing for projects to
24 repair or improve the resiliency of environmental infrastructure
25 systems adversely impacted by Storm Sandy. The source of funds
26 for such loans is currently repayments of prior NJEIFP loans and
27 trust operating funds, but private bank financing for such loans may
28 be used as the need arises. Finally, short-term Interim Financing
29 Program (IFP) loans will be available for projects approved to
30 receive long-term financing. IFP loans will be available upon
31 project certification by the DEP, and satisfaction of financial
32 eligibility requirements. The loans will finance costs disbursed
33 prior to long-term financing. The source of funds for such loans
34 include prior capitalization grants, NJEIFP loan repayments, prior
35 State bond acts, and interest earnings thereon.

36 The DEP would use the funds appropriated under this bill to
37 make zero-interest loans to local governments and privately-owned
38 water companies (project sponsors) for between 25 percent and 75
39 percent of project costs totaling: (1) \$387.34 million for new clean
40 water projects included in the "Storm Sandy and State Fiscal Year
41 2020 Clean Water Project Eligibility List," and \$700,000 for one
42 clean water project through supplemental zero interest loans to a
43 project sponsor that had previously received a loan, subject to the
44 availability of funds; and (2) \$267 million for new drinking water
45 projects included in the "State Fiscal Year 2020 Drinking Water
46 Project Eligibility List." The supplemental loan constitutes the
47 difference between the allowable loan amount required by the
48 project and the loan amount certified by the Commissioner of

1 Environmental Protection in State Fiscal Year 2020. The bill
2 authorizes the DEP to issue loans up to 100 percent of the total
3 allowable loan amount: (1) for clean water loans to municipalities
4 that do not satisfy the trust credit policy, but are subject to State
5 financial supervision and oversight pursuant to the “Local
6 Government Supervision Act (1947),” P.L.1947, c.151 (C.52:27BB-
7 1 et seq.); (2) for clean water and drinking water loans to county or
8 regional sewerage or utility authorities that do not satisfy the trust's
9 credit policy, but where the municipal participant via its service
10 agreement with the authority is under State financial supervision
11 and oversight pursuant to the “Local Government Supervision Act
12 (1947),” P.L.1947, c.151 (C.52:27BB-1 et seq.) and the repayment
13 obligation of the authority remains secured by the full faith and
14 credit of the participating municipality pursuant to its service
15 agreement with the municipality; (3) for clean water project and
16 drinking water project loans to municipalities receiving funding
17 under the United States Department of Housing and Urban
18 Development Community Development Block Grant – Disaster
19 Recovery Program (CDBG-DR); and (4) for loans to clean water or
20 drinking water systems serving 10,000 or fewer residents the DEP
21 allowable loan amount will be 100 percent of the total allowable
22 loan amount not to exceed a total of \$100,000 per project sponsor.

23 A companion bill, Assembly Bill No. 5456 of 2019, would
24 authorize the trust to make market rate loans to project sponsors for
25 between 25 percent and 75 percent of project costs for the clean
26 water and drinking water projects mentioned above. Under this bill,
27 together with Assembly Bill No. 5456 of 2019, the NJEIP would
28 finance \$655.04 million in environmental infrastructure projects for
29 State Fiscal Year 2020, subject to the availability of funds. Funding
30 sources for the loans include federal capitalization grants, State
31 bond issue proceeds, State match, various prior legislative
32 appropriations, loan repayments, interest earnings, and market rate
33 loans made by the trust.

34 Finally, the bill would appropriate to the trust, from repayments
35 of loans, interest payments, certain federal funds, and any earnings
36 received from the investment of those funds, such amounts as the
37 chairman of the trust certifies are necessary for deposit into one or
38 more reserve funds established by the trust.